

## Message Text

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ACTION IO-14

INFO OCT-01 AF-10 EUR-12 ISO-00 EB-08 AID-05 ARA-10  
EA-10 NEA-11 STR-07 COME-00 LAB-04 TRSE-00 OES-07  
HUD-01 HEW-04 AGRE-00 OIC-02 L-03 FRB-03 OMB-01  
ITC-01 SP-02 ICA-11 CIAE-00 INR-10 NSAE-00 SIL-01  
CEA-01 SS-15 ABF-01 /155 W  
-----049295 021258Z /72

R 021210Z JUN 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6613  
INFO USMISSION GENEVA  
USMISSION USUN NEW YORK  
AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY ROME  
AMEMBASSY PARIS  
AMEMBASSY NAIROBI

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UNIDO

E.O. 11652:N/A  
TAGS: OCON UNIDO  
SUBJECT: UNIDO - INDUSTRIAL DEVELOPMENT BOARD, TWELFTH  
- SESSION - WRAP-UP AND COMMENTARY

1. SUMMARY. SOMETIMES CHAOTIC AND OVERLY POLITICAL  
TWELFTH SESSION OF INDUSTRIAL DEVELOPMENT BOARD WOUND UP  
LATE ON MAY 27. SUBSTANTIVE RESULTS WERE GENERALLY POSI-  
TIVE FROM U.S. STANDPOINT, WITH IMPORTANT EXCEPTION OF DIS-  
AGREEMENT OVER AGENDA FOR THIRD GENERAL CONFERENCE WHICH  
G-77 FORCED TO A VOTE IN ORDER TO WIN ITS POINT. SESSION'S  
LEADERSHIP LEFT MUCH TO BE DESIRED. GROUP B SHOWED GOOD  
COHESION IN FACE OF G-77'S CONFRONTATIONAL TACTICS. BOARD  
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AGREED TO SHORTEN SPRING 1979 SESSIONS OF PERMANENT COM-  
MITTEE (PC) AND IDB BY TOTAL OF ONE WEEK. PARA 4 IDENTI-  
FIES ISSUES THAT WILL REQUIRE USG ATTENTION IN FUTURE.  
SEPTELS REPORT IN MORE DETAIL ON KEY AGENDA ITEMS.END SUM.

2. IDB CONCLUDED ITS TWELFTH SESSION AT 11:00 P.M. SATUR-  
DAY, MAY 27, FOLLOWING MARATHON ALL-DAY MEETING WHICH HAD

BEEN PRECEDED BY MEETINGS ON PREVIOUS TWO DAYS EXTENDING INTO WEE HOURS OF THE MORNING. MUCH TOO MUCH TIME AT THIS IDB SESSION WAS SPENT IN DEBATE ON POLITICAL ISSUES BEARING LITTLE OR NO RELATIONSHIP TO UNIDO'S BASIC FUNCTIONS, INCLUDING NUMEROUS POLEMICAL EXCHANGES BETWEEN SOVIET UNION, SUPPORTED BY OTHER MEMBERS OF GROUP D, AND CHINA. NEVERTHELESS, OVERALL RESULTS OF SESSION WERE GENERALLY POSITIVE FROM STANDPOINT OF U.S. OBJECTIVES.

-- IDB DECISIONS ON FUTURE OF SYSTEM OF CONSULTATIONS WERE IN LINE WITH U.S. POSITIONS, INCLUDING DEFERRAL OF ACTION ON CERTAIN PROPOSALS ON WHICH WE HAD RESERVATIONS SUCH AS UNCTAD/UNIDO AD HOC EXPERT GROUP AND GLOBAL CONSULTATION ON FINANCING OF DEVELOPMENT.

-- THERE WAS GENERAL CONSENSUS ON VALUE OF UNDP COUNTRY-PROGRAMMING PROCESS; UK PROPOSAL FOR REGIONAL APPROACH TO INDUSTRIAL DEVELOPMENT FIELD ADVICE RECEIVED NO SUPPORT.

-- LANGUAGE OF GROUP D-SPONSORED RESOLUTION ON THE ROLE OF THE PUBLIC SECTOR IN DEVELOPMENT WAS WATERED DOWN TO ACCEPTABLE LEVELS (EXCEPT FOR REFERENCE TO "SOVEREIGNTY" OVER NATURAL RESOURCES WHERE U.S. WAS JOINED BY OTHER GROUP B COUNTRIES IN PUTTING RESERVATIONS ON RECORD).

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-- SUCH SUBJECTS AS INTEGRATION OF WOMEN IN DEVELOPMENT, COOPERATIVE ACTIVITY IN FIELD OF NATURAL RESOURCES, APPROPRIATE INDUSTRIAL TECHNOLOGY, AND REDEPLOYMENT OF INDUSTRY WERE HANDLED TO OUR FULL SATISFACTION.

3. ONE CLEARLY NEGATIVE ASPECT OF TWELFTH SESSION WAS CONFRONTATION BETWEEN G-77 (SUPPORTED AND ENCOURAGED BY GROUP D) AND GROUP B OVER LANGUAGE OF DRAFT PROVISIONAL AGENDA FOR THIRD GENERAL CONFERENCE OF UNIDO, SCHEDULED FOR NEW DELHI IN 1980. G-77 INSISTENCE ON REFERENCE TO THE STRENGTHENING OF MEASURES FOR THE "SUPERVISION AND REGULATION" OF FOREIGN INVESTMENT AND GROUP B'S RESISTANCE TO THIS CONCEPT LED TO VOTE IN PLENARY (WHICH GROUP B LOST) AND TO TRANSMISSION OF THIS DISAGREEMENT TO ECOSOC AND UNGA FOR FURTHER NEGOTIATION.

4. A NUMBER OF ISSUES REMAIN OPEN AND WILL REQUIRE CAREFUL USG ATTENTION AT FUTURE MEETINGS OF IDB OR PERMANENT COMMITTEE (PC) OR IN OTHER FORA. THESE INCLUDE, AMONG OTHERS:

-- DRAFT PROVISIONAL AGENDA FOR THIRD CONFERENCE (SEE  
PRECEDING PARA).

-- ESTABLISHMENT OF UNCTAD/UNIDO AD HOC EXPERT GROUP. IDB  
REMANDED THIS TO PC-XI IN DECEMBER 1978, BUT UNCTAD  
TRADE AND DEVELOPMENT BOARD AND MANUFACTURERS COMMITTEE  
ARE SCHEDULED TO MEET BEFORE THAT TIME.

-- FINANCING OF SIDFAS. U.S. AND MANY OTHER GROUP B  
COUNTRIES REAFFIRMED POSITION THAT SUCH FINANCING  
SHOULD BE FROM VOLUNTARY CONTRIBUTIONS BUT NORDICS  
JOINED G-77 IN SUPPORTING USE OF REGULAR BUDGET. EXEC-  
UTIVE DIRECTOR WAS REQUESTED TO REPORT FURTHER ON  
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SIDFAS TO PC-XI IN LIGHT OF DISCUSSION OF SECTORAL  
SUPPORT AT JUNE SESSION OF UNDP GOVERNING COUNCIL.  
(HE ALREADY IS UNDER MANDATE FROM UNGA -- RES. 32/165  
-- TO REPORT TO UN SECGEN ON "HOW THESE ADVISERS SHOULD  
BE FINANCED FROM THE REGULAR BUDGET".)

-- FINANCING PARTICIPATION IN THE SYSTEM OF CONSULTATIONS  
OF A LIMITED NUMBER OF PARTICIPANTS FROM LEAST DEVEL-  
OPED COUNTRIES. IDB ASKED SECRETARIAT TO REPORT ON  
POSSIBILITIES TO PC-XII IN APRIL 1979.

-- TECHNICAL ASSISTANCE TO PALESTINIAN PEOPLE. U.S.DEL  
TO IDB-XII REAFFIRMED USG OPPOSITION TO PLO AS CHANNEL  
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OF ASSISTANCE AND SUPPORTED ISRAEL'S RIGHT TO SPEAK ON  
ISSUE, TO SATISFACTION OF ISRAELI OBSERVER DELEGATION  
(SEE VIENNA 4718). HOWEVER, MAJORITY OF BOARD SUPPORT-  
ED SECRETARIAT'S ACTIVITIES. SECRETARIAT WILL PRESUM-  
ABLY CONTINUE ITS EFFORTS, INCLUDING CONTACTS WITH PLO,  
AND WILL REPORT FURTHER TO FUTURE SESSION OF PC OR IDB.

5. CONDUCT OF SESSION LEFT MUCH TO BE DESIRED, ESPECIALLY  
IN FINAL 2-3 DAYS. CHAIRMANSIP OF FRG PERMREP AMBASSADOR  
JULIUS HOFFMANN CAN MOST CHARITABLY BE DESCRIBED AS ERRATIC.  
WHILE HE STARTED OUT WITH COMMENDABLE INTENTION TO PRESS  
BOARD'S WORK FORWARD IN BUSINESSLIKE AND EXPEDITIOUS FASH-  
ION, HE LOST CONTROL WHEN CONTENTIOUS ISSUES SURFACED. HIS  
MISREADING OF RULES OF PROCEDURE, REPEATED REVERSAL OF  
RULINGS, AND INCREASINGLY GARBLED SYNTAX CREATED CONFUSION  
AND NEEDLESS PROLONGATION OF DEBATE. IN HOFFMANN'S DEFENSE,  
IT APPEARED HE WAS NOT RECEIVING THE BEST ADVICE FROM  
THOSE IN SECRETARIAT WHO SHOULD HAVE BEEN KNOWLEDGEABLE ON  
PROCEDURAL QUESTIONS.

6. GROUP B, WITH UK ACTING AS SPOKESMAN, WORKED WELL TO-  
GETHER AND SHOWED SUBSTANTIAL COHESION ON MOST ISSUES (SIDFA  
FINANCING BEING ONE IMPORTANT EXCEPTION). EVEN THOSE GROUP  
B MEMBERS WHO TEND TO WAVER IN THE FACE OF G-77 PRESSURES  
FULLY SUPPORTED DECISION TO REMAIN FIRM AT THE END ON THE  
FOREIGN INVESTMENT ISSUE.

7. G-77 WERE IN A CONFRONTATIONAL MOOD. IN CONTRAST TO  
TRADITIONAL EFFORT IN UNIDO TO BARGAIN HARD BUT SEEK DE-  
CISIONS BY CONSENSUS, G-77 MEMBERS SHOWED NO HESITANCY IN  
PUSHING MATTERS TO A VOTE. TWO VOTES WERE HELD, OTHERS  
WERE THREATENED, AND A MOTION TO OVERRULE THE CHAIRMAN  
NARROWLY MISSED COMING TO A VOTE WHEN THE PERUVIAN AMBASSA-  
DOR PERSUADED HIS COLLEAGUES IN CLOSING HOUR OF SESSION NOT

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TO CAUSE PERSONAL EMBARRASSMENT TO HOFFMANN. G-77 LEADERSHIP WAS, GENERALLY SPEAKING, NOT IMPRESSIVE. IN WORKING GROUP DEALING WITH THIRD GENERAL CONFERENCE AGENDA, ROMANIA(\*) DID MOST OF THE TALKING FOR THE G-77.

8. GROUP D MEMBERS AS USUAL CONTRIBUTED LITTLE THAT WAS POSITIVE TO SUBSTANTIVE DEBATE BUT SUCCEEDED IN ALIGNING THEMSELVES WITH G-77 ON SEVERAL CONTROVERSIAL ISSUES AND AVOIDING ANY CENSURE THEMSELVES.

9. IDB AGREED ON FOLLOWING DATES FOR FUTURE MEETINGS:

- PC-XI DECEMBER 11-15, 1978
- PC-XII APRIL 17-23, 1979
- IDB-XIII APRIL 24-MAY 4, 1979

MANY DELEGATIONS EXPRESSED CONCERN PRIVATELY ABOUT COMBINED LENGTH OF THIS SPRING'S PC AND IDB SESSIONS. NEXT YEAR'S SESSIONS WILL BE COMPRESSED INTO THREE INSTEAD OF FOUR WEEKS.

10. MORE DETAILED REPORTS ON KEY INDIVIDUAL AGENDA ITEMS ARE CONTAINED IN SEPTELS. LEARY

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## Message Attributes

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